



# Arizona Economic Update

June 17, 2016

## Summary

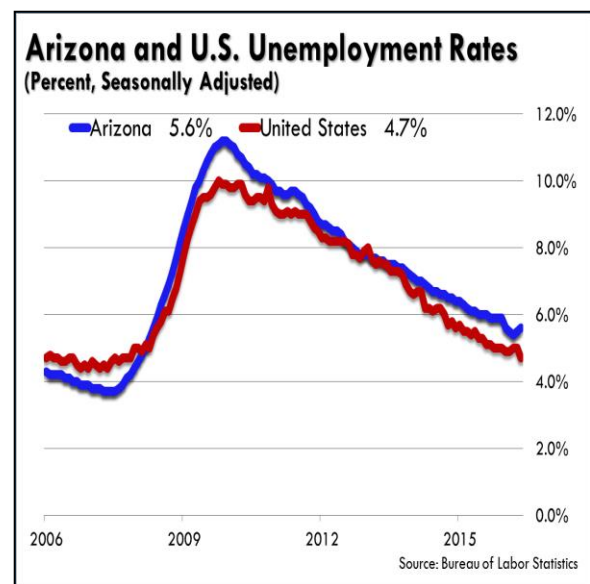
Nonfarm payroll employment in Arizona declined by 4,600 jobs and the unemployment rate rose to 5.6 percent in May according to data released by the Bureau of Labor Statistics (BLS).

## Arizona Unemployment Rate

During May, the unemployment rate in Arizona increased by 0.1 percentage point to 5.6 percent. The number of people counted as unemployed rose by 4,328 in May to 181,209, while the labor force grew by 2,898 to 3,247,655. Among the 50 states and the District of Columbia, 37 posted lower unemployment rates for the month than Arizona. A year earlier, the unemployment rate in Arizona stood at 6.1 percent.

The 10 year peak for the unemployment rate in Arizona was 11.2 percent in December 2009. The series high for the unemployment rate in Arizona occurred in December 1982 when the unemployment rate reached 11.5 percent. The 10 year low for the unemployment rate was 3.7 percent in July 2007. This also represents the series low for the unemployment rate in Arizona. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined by 0.3 percentage point to 4.7 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



## Arizona Payroll Employment

Arizona nonfarm payrolls declined by 4,600 jobs, or 0.17 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls increased by 5,100. Over the past 12 months nonfarm payrolls in Arizona increased by 75,700, or 2.89 percent. Arizona nonfarm payroll employment has increased in 11 of the past 12 months.

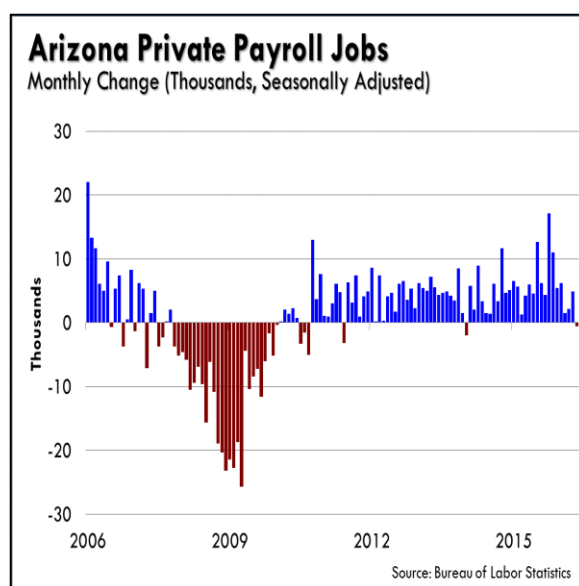
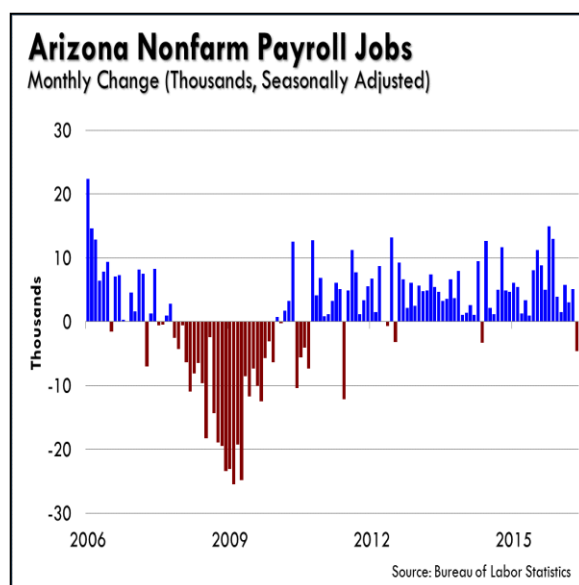
Nationally, nonfarm payrolls increased by 38,000 jobs in May, or 0.03 percent. Over the 12-month period ending May 2016 nonfarm payrolls grew by 2,398,000 jobs, or 1.69 percent. Arizona ranks 7th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During May, Arizona private sector payrolls declined by 600, or 0.03 percent. Private sector payrolls increased by 4,900 jobs in the prior month. Over the past 12 months, private sector payrolls in Arizona increased by 75,300, or 3.40 percent. Arizona private sector payroll employment has increased in 11 of the past 12 months.

Nationally private-sector payroll jobs increased by 25,000 jobs in 1.69, or 0.02 percent. Over the past 12 months, the nation's economy has added 2,297,000 jobs in the private sector, an increase of 1.92 percent.

Arizona ranks 6th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Arizona declined by 4,000, or 0.98 percent. Federal government payroll employment increased by 600, or 1.11 percent. State government payroll employment increased by 700, or 0.84 percent, while local government payroll employment declined by 5,500, or 2.03 percent.



Over the past year, total government payroll employment increased by 400, or 0.10 percent. State government payroll employment increased by 700, or 0.84 percent. Local government payroll employment declined by 6,300, or 2.32 percent.

The best performing sectors on a seasonally adjusted basis during May were Manufacturing (+1,800) and Trade, Transportation & Utilities (+1,700). The poorest performing sectors during the month were Total Government (-4,000) and Professional & Business Services (-3,000).

The best performing sectors during the last twelve months were Educational & Health Services (+16,700) and Trade, Transportation & Utilities (+14,500). The poorest performing sectors for the year were Mining & Logging (-900) and Other Services (-200).

#### Other Arizona Labor Force Statistics

The labor force participation rate in Arizona was unchanged at 60.7 percent in May. Among the 50 states and the District of Columbia, 40 have a higher labor force participation rate than Arizona. The labor force participation rate in Arizona is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Arizona was 64.7 percent in November 2006. The series high for the labor force participation rate in Arizona occurred in July 1995 when the labor force participation rate hit 66.9 percent. The 10 year low for the labor force participation rate was 59.4 percent in October 2013. This also represents the series low for the labor force participation rate in Arizona.

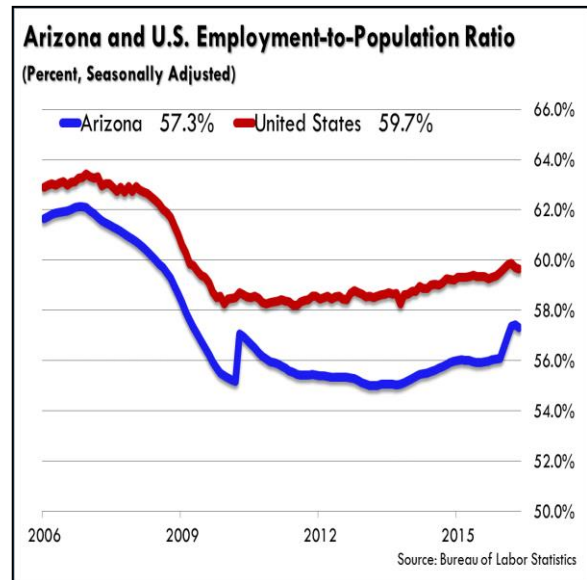
The national labor force participation rate declined by 0.2 percentage point to 62.6 percent in May 2016, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Arizona civilian noninstitutionalized population 16 years and older counted as employed, declined to 57.3



percent in May from 57.4 percent the prior month. Among the 50 states and the District of Columbia, 41 have higher employment-to-population ratios than Arizona. The employment-to-population ratio in Arizona is 1.3 percentage points higher than a year earlier.

The 10 year high for the employment-to-population ratio in Arizona was 62.1 percent in December 2006. The series high for the employment-to-population ratio in Arizona occurred in August 1995 when the employment-to-population ratio hit 63.3 percent. The 10 year low for the employment-to-population ratio was 55.0 percent in September 2013. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio hit 53.2 percent.



The national employment-to-population ratio held steady at 59.7 percent in May. That rate was 0.3 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for June is scheduled for release on July 22, 2016. The national employment situation report for June will be released on Friday, July 8, 2016.